MANAGEMENT AND BUDGET





LISA WEBB SHARPE, DIRECTOR

Lewis Cass Building P.O. Box 30026 Lansing, MI 48909 Phone: (517) 373-1004



MARY LANNOYE, STATE BUDGET DIRECTOR

George W. Romney Building P.O. Box 30026 Lansing, MI 48909 Phone: (517) 373-7560

The Department of Management and Budget has legal authority under the Management and Budget Act, Act 431 of 1984, as amended. The department is the summation of the former Department of Administration, which was created by Act 51 of 1948, as well as functions that had been under the Office of the Governor, such as budgeting, that were transferred by Executive Order No. 1973-7.

The Department of Management and Budget is an interdepartmental service and management agency responsible for providing financial management, property management, capital facility development, procurement, retirement and related benefits, employee benefits programs, accounting and payroll functions, and services to state agencies. The State Budget Director prepares, presents, and executes the state budget on behalf of the governor.

The director of the department and the state budget director are appointed by the governor. The directors, deputy directors, and staff provide program and policy direction for the department and monitor program execution to ensure efficiency and effectiveness of departmental operations.

Until 1998, when the governor named a separate state budget director, the director of the Department of Management and Budget had served concurrently as the department director and state budget director. The scope of the management responsibilities and Michigan's position as one of the nation's leading industrial states necessitated that the responsibilities for the budget and management functions of the department be separated.

Under the guidance of the two directors, the Department of Management and Budget continues to focus on its commitment to meet the needs of the citizens of the State of Michigan, efficiently and effectively. The following organizational units administer the responsibilities of the department.

Director

Acquisition Services provides strategic, planning and tactical services related to the selection, procurement, transport, warehousing, and surplus of supplies, materials, equipment and services used by state agencies, also provides support to the State Administrative Board, and services to local governments and nonprofits.

Agency Services provides printing and graphic design services, as well as mainframe printing, mailing, publication, records, and management of vehicle and travel services to state agencies.

Retirement Services is responsible for the retirement systems of State of Michigan employees, Michigan public school employees, judges, and state police. It provides information, pension and deferred compensation services to all system members.

Office of Facilities is responsible for state government buildings and grounds, capital investment, maintenance, maintenance planning, facility design, and construction management services to

state agencies, colleges, and universities, and the management of the occupancy of state-owned and leased facilities, security, and parking services.

Strategic Asset Management oversees the state's strategic portfolio and space planning, and real estate functions. The State Building Authority is the state's primary vehicle for financing major capital outlay projects.

Organizational Services provides employee development and training, recruitment, labor relations, health and safety, human resources support and performance management services to all service areas.

Financial Services provides financial and business transaction support, accounting, billing and related services for all DMB customers and service areas.

State Budget Director

The **Office of the State Budget** is responsible for coordinating all Executive Budget activities including development of the Executive Budget recommendation, presentation of the budget to the legislature, and implementation of the budget after enactment. The State Budget Director is appointed by the governor and is a member of the governor's cabinet. The State Budget Director serves as the governor's advisor on fiscal matters and also oversees the state's accounting and payroll functions, the state's financial management system, and the Center for Educational Performance and Information (CEPI).

The **Budget Development Section** is responsible for preparation and dissemination of the Executive Budget, including administration of information systems required to support the budget's development. The office prepares transfer and supplemental appropriation requests for submission to the legislature and monitors their progress through the review and approval process.

The **Office of Education and Infrastructure** is responsible for developing and analyzing the portions of the budget related to education, transportation, and economic development issues. These budgets include the School Aid budget for K-12, the Department of Education, state universities, financial aid, community colleges, and the departments of Labor and Economic Growth and Transportation. The Office of Education and Infrastructure is also involved in analyses and approval of all capital outlay projects.

The **General Government Section** is responsible for budgetary analysis of general government operations, including the departments of Attorney General, Civil Rights, Civil Service, Information Technology, Management and Budget, State, and Treasury, as well as the legislature and executive

The **Office of Health and Human Services** is responsible for preparation of the Executive Budget for health and human services programs. This includes the Department of Community Health, the Department of Human Services, and other health-related expenditures of state government such as health care costs for active workers, retired workers, and retired school personnel.

The **Office of Public Protection and Resources** is responsible for developing the Executive Budget for criminal justice components of the state budget including the departments of Corrections, Military and Veterans Affairs, State Police, and the Judiciary. The office also analyzes state programs concerning environmental and resource management, and food safety issues and prepares executive budget recommendations for the Departments of Natural Resources, Environmental Quality, and Agriculture.

The **Office of Planning and Local Government Claims** is responsible for developing the Executive Budget for the state revenue sharing program and serving as Executive Secretary for the Local Government Claims Review Board. On behalf of the State Budget Office, the office conducts various planning and administrative management activities and serves as the liaison with the Attorney General's office and the Governor's legal counsel on legal issues.

The **Office of Financial Management** has overall responsibility for the state's accounting and payroll functions and related systems. The office is responsible for performing central accounting and payroll control activities; developing and issuing statewide accounting policies; maintaining the central vendor/payee file; advising state agencies on the application of generally accepted accounting principles and the use of the state accounting system; monitoring compliance by agencies with state accounting policies; and preparing periodic financial reports, including the State of Michigan Comprehensive Annual Financial Report.

The Center for Educational Performance and Information (CEPI) is part of the Office of Education and Infrastructure and is responsible for collecting and reporting data about the

performance of Michigan's public schools and students. It is responsible for managing the state's association with Standard & Poor's School Evaluation Services (SES). The center works in collaboration with the Michigan Department of Education (MDE) and other state agencies, such as the Department of Treasury and the Department of Labor and Economic Growth, to combine all educational data into the Michigan Education Information System (MEIS) and to eliminate duplicate reporting requirements.

Office of Children's Ombudsman (OCO)

The *Office of Children's Ombudsman* was created by the legislature in 1994 as an autonomous entity within the Department of Management and Budget. The Ombudsman is appointed by, and serves at the pleasure of, the governor. The Children's Ombudsman Act (PA 204 of 1994) provides that the OCO is responsible for monitoring and ensuring compliance with relevant statutes, rules, and policies pertaining to children's protective services and the placement, supervision, and treatment of children in foster care and adoptive homes.

Office of the State Employer

The *Office of the State Employer (OSE)* was created by Executive Order No. 1988-6 within the Department of Management and Budget. The director of the office is appointed by and serves at the pleasure of the governor. The office carries out the central labor relations responsibilities as the employer of the state classified work force; and represents the governor, the executive branch departments and agencies, and the legislative auditor general in all employee relations matters. The office is also responsible for all activities associated with workers' compensation, long-term disability, disability management, return to work, safety and health, health promotion, and employee services. The Office of Great Workplace Development was created within OSE to align state government cultures with our shared values to create a great place to do great work. This effort is jointly sponsored by the Governor's Office, the Office of the State Employer, and the Department of Civil Service.

STATE ADMINISTRATIVE BOARD

Jennifer M. Granholm, Governor, Chairperson
John D. Cherry, Lieutenant Governor
Terri Lynn Land, Secretary of State
Mike Cox, Attorney General
Jay B. Rising, State Treasurer
Michael Flanagan, Superintendent of Public Instruction, Department of Education

The **State Administrative Board** was created by Act 2 of 1921. The board exercises general supervisory control over the functions and activities of all administrative departments, boards, commissions, and officers of the state and of all state institutions. In addition, the board, through subsequent legislation, has many statutory responsibilities, including the approval of contracts and leases, investment of funds, travel regulations, and settlement of small claims against the state.

STATE BUILDING AUTHORITY BOARD OF TRUSTEES

	Term expires
ROBERT C. CARR, Okemos	Aug. 21, 2007
DENNIS C. COWAN, Royal Oak	Aug. 21, 2005
Byron P. Gallagher, East Lansing	Aug. 21, 2004
RHONDA K. GRANT, Eaton Rapids	Aug. 21, 2005
VACANCY	

The **State Building Authority** was created by Act 183 of 1964, as amended. The authority is responsible for the construction or acquisition of facilities for use by the state and its agencies,

through the issuance of lease revenue bonds. The bonds are retired through rent payments made by the state and other pledged resources. Bonds have been issued to provide needed capital outlay projects for higher education, community health, corrections, and general governmental functions. The program is also responsible for risk management activities.

The 5 members of the board are appointed by the governor, with the advice and consent of the senate, to serve 4-year terms. Upon expiration of a term, a member may continue to serve until a successor is appointed.

MICHIGAN EXPOSITION AND FAIRGROUNDS AUTHORITY

Agr	riculture Term expires
PAT G. ALBRIGHT	Feb. 28, 2007
Dr. Thomas G. Coon	Feb. 28, 2006
KENNETH J. DECOCK	Feb. 29, 2008
Busines	s Community
Edward Deeb	Feb. 28, 2007
Public Members	
ELAINE C. DRIKER	Feb. 29, 2008
	Feb. 28, 2007
Organized Labor	
MARK T. GAFFNEY (Chair)	Feb. 28, 2006
Tourism Industry	
KAREN BATCHELOR	Feb. 29, 2008
County Fair	
THOMAS L. VALLIERE	Feb. 28, 2006

MITCH IRWIN, Director, Department of Agriculture

ex officio LISA WEBB SHARPE, Director, Department of Management and Budget

General Manager

JOHN HERTEL

Act 468 of 2004 created the Michigan Exposition and Fairgrounds Authority as a Type I public body corporate supervised and administered by the Department of Management and Budget and abolished the former Michigan Exposition and Fairgrounds Advisory Council created by Act 361 of 1978 and administered by the Department of Agriculture. The authority is governed by an 11-member board appointed to a term of three years by the governor who are subject to the advice and consent of the senate. The directors of both the Departments of Management and Budget and Agriculture serve as *ex officio* voting members of the board.

The authority is responsible for conducting the annual State Fair and other exhibits, programs, or events that promote all phases of Michigan's economy and demonstrate agricultural, industrial, commercial, educationl, entertainment, tourism, technological, cultural, and recreational pursuits. The authority's General Manager, who is appointed by and serves at the pleasure of the Governor, coordinates the administration of the exhibits, programs, and events.

LOCAL GOVERNMENT CLAIMS REVIEW BOARD

Local Units of Government	Term expires
DAVID B. BUCKLEY, Bloomfield Hills	March 26, 2004
NANCY CRANDALL, Norton Shores	March 26, 2005
Mary Helmbrecht, Haslett	March 26, 2003
Jack Horton, Lowell	March 26, 2005
General Public	
A. THOMAS CLAY, Williamston (Chair)	March 26, 2005
MICHAEL MAXFIELD, Birmingham	March 26, 2004
JOHN PIRICH, East Lansing	March 26, 2004
TIMOTHY WARD, Okemos	March 26, 2003
VACANCY	

The **Local Government Claims Review Board,** appointed in accordance with Act 101 of 1979, implements Section 29 of the tax limitation amendment to the Michigan Constitution approved by Michigan voters in November of 1978. The board assists the State Budget Director in the administration of Act 101. It hears and decides on disputed claims and upon an appeal by a local unit of government that the local unit of government has not received the proper disbursement from funds appropriated for that purpose.

The appointments of the 9-member board are for staggered terms and are subject to senate confirmation. Not fewer than 4 members must represent local government.

JUDGES' RETIREMENT BOARD

General Public	Term expires
JUDY A. HARTSFIELD, Detroit	. March 31, 2009
HON. FRANCIS R. SPANIOLA, Corunna	. March 31, 2007
Chris J. Swope. Lansing	. March 31, 2007

ex officio

GEORGE ELWORTH, for the Attorney General Mark Haas, for the State Treasurer

The **Judges' Retirement Board** provides policy direction pursuant to 1992 Act 234. The Judges' Retirement System provides for a retirement system for members of the supreme court, court of appeals, circuit courts, district courts, and certain state officials.

The board members are appointed by the governor with the advice and consent of the Senate, to serve for 4-year terms. Upon expiration of a term, a member may continue to serve until a successor is appointed.

MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD

	Term expires
GARY W. ALLEN, Mt. Pleasant	March 30, 2005
IVY Y. BAILEY, Southfield	March 30, 2008
LENORE CROUDY, Flint	March 30, 2008
JEFFREY S. HOFFMAN, Farmington Hills	March 30, 2006
WILLIAM J. LAWSON, Jr., Plymouth	March 30, 2007
EDWIN E. MARTINSON, Ironwood	March 30, 2008
RICHARD A. MONTCALM, Monroe	March 30, 2008
GAIL NUGENT, Frankfort	March 30, 2006

MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT BOARD (Cont.)

	Term expires
DIANA R. OSBORN, Muskegon (Chair)	March 30, 2005
MARTHA K. PICHLA, Sterling Heights	March 30, 2005
MARC G. WHITEFIELD, Farmington Hills	March 30, 2008

ex officio

MICHAEL FLANAGAN, Superintendent of Public Instruction, Department of Education

The Michigan Public School Employees' Retirement Board provides policy direction pursuant to 1980 Act 300. The Michigan Public School Employees' Retirement System provides for a retirement system and health insurance benefits for public school, community college and certain university employees.

The board members are appointed by the governor, with the advice and consent of the senate, to serve for 4-year terms. Upon expiration of a term, a member may continue to serve until a successor is appointed, but not to exceed 4 years.

STATE EMPLOYEES' RETIREMENT BOARD

Employee Members of the Retirement System	Term expires
Janet M. McClelland, Lansing	
State Retirees	
DOUGLAS DRAKE, Lansing	

ex officio

SCOTT STRONG, Deputy Auditor General GEORGE ELWORTH, for the Attorney General DANIEL McLellan, for the State Personnel Director MARK HAAS for the State Treasurer JOHN SCHOONMAKER, for Commission of Financial and Insurance Services

The State Employees' Retirement Board provides policy direction pursuant to 1943 Act 240. The State Employees' Retirement System provides for a retirement system and health insurance benefits for all employees of the state, including employees of the legislative and judicial branches.

The board members are appointed by the governor to serve for 3-year terms.

STATE POLICE RETIREMENT BOARD

Officer Member of Retirement System;	
Rank of Sergeant or Below	Term expires
RICHARD M. HALE, Charlotte	. Dec. 31, 2006
Officer Member of Retirement System; Rank of Lieutenant or Above	
Inspector Joseph A. Thomas, Okemos	. Dec. 31, 2007
Retirant	
SALLY B. CORBIN Okemos	Dec. 31, 2006

STATE POLICE RETIREMENT BOARD (Cont.)

Member with Experience in Insurance, Actuarial, or Institutional Investment Field; Not an Employee of Department of State Police or Member or Retirant of the System Term expires

DIANE M. GARRISON, Holt Dec. 31, 2005

CAPTAIN CHRISTOPHER LEWIS, Director, Department of State Police GEORGE ELWORTH, for the Attorney General MARK HAAS, for the State Treasurer SCOTT STRONG, Deputy Auditor General DAVID FINK, Director, Office of State Employer, Department of Management and Budget

The State Police Retirement Board provides policy direction pursuant to 1986 Act 182. The State Police Retirement System provides for a retirement system and health insurance benefits for state police officers who have subscribed to the constitutional oath of office.

The board members are appointed by the governor to serve for 3-year terms.

MICHIGAN VETERANS' MEMORIAL PARK COMMISSION

General Public	Term expires
GAIL ANTHONY, Sparta	. Dec. 18, 2007
KENNETH D. BING, Mt. Clemens	. Dec. 18, 2006
THOMAS MULLANEY, Alpena	. Dec. 18, 2005
JOHN E. Rees, Southfield	. Dec. 18, 2007
PAMELA V. VACKETTA, East Lansing	. Dec. 18, 2006

Department Director or Designee

LISA WEBB SHARPE, Director, Department of Management and Budget THOMAS CUTLER, Director, Department of Military and Veterans Affairs and Adjutant General of Michigan

The Michigan Veterans' Memorial Park Commission was created in the Department of Management and Budget by Executive Order No. 2001-10 to oversee the completed Vietnam Memorial Monument and the Michigan Veterans' Memorial Park. The commission consists of 7 members. Five are members of the general public appointed by the Governor to serve 3-year terms, and the remaining 2 are the directors or directors' designees of the Department of Military and Veterans Affairs and the Department of Management and Budget.